



# Woodlands' View

SCOTTISH WOODLANDS NEWSLETTER | Autumn 2021

## New Woodland Creation ...

Case Study

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# Introduction

Welcome to this edition of our Woodlands' view magazine which, for us is another welcome sign that we continue to emerge from the restrictions imposed by the Covid pandemic. Like so many others, our attendance at public shows and many other events has been curtailed, but our industry has been lucky to encounter minimal restrictions. At an early stage, the supply of timber and related products was designated as 'essential supply'. For a nation that still imports 80% of its timber and wood product needs, the importance of a reliable domestic timber supply for building hospitals and transporting food and medicines soon became apparent.

While the world has been focussed on protecting the health of its citizens, the importance of tackling climate change has also remained high on the agenda. In November this year, Glasgow will host the COP26 summit where world leaders will meet to review progress and commit to new targets and measures, intended to mitigate the impacts on the planet.

The remarkable capacity our trees have for fixing atmospheric carbon and converting it to renewable raw materials is increasingly well recognised by governments and business across the world. That recognition translates to strong support for new woodland creation and the potential for a new revenue stream through the sale of carbon rights to carbon generating industries.

The UK Forest industry is growing significantly to meet this need and Scottish Woodlands is proud to be leading the effort to create more woodland through the inventive and bold projects initiated by many of our clients.

As an organisation, we are growing, and I am particularly proud of the success we have achieved in recruiting and developing new graduates as described elsewhere in this edition. We will continue to develop this new crop of forestry professionals, many of whom will become shareholders in the company. It is their efforts and skills we will all rely on to meet the challenge imposed by our changing climate.

As restrictions ease, we look forward to getting back out to public meetings and shows again and look forward to seeing you there!



Ralland Browne,  
Managing Director

## Growing a sustainable career

Graduate Scheme



**The forest industry is growing, in size and recognition, so it is an exciting time to consider and cultivate the next rotation of forest managers. To address an ongoing issue of recruitment into the forest industry, Scottish Woodlands has established its own 'root system' to encourage a good foundation for a career in forest management; we call this our Graduate Recruitment Programme. For anyone interested in STEM subjects (science, technology, engineering and maths), who likes trees, working outdoors and working with people, forest management can be a great choice for those with a good understanding of rural business.**

The company's Graduate Recruitment Programme has now produced several crops of forest managers who have developed their experience and have established a career within the industry. Further 'sapling' graduates are, in turn, gaining valuable experience as forest managers during a two year training programme, and more will follow. More experienced managers have an opportunity to mentor those at an earlier stage in their career, giving everyone an opportunity to upskill and learn for the future.

Graduate trainees have a valuable opportunity to develop knowledge and experience of a wide range of forestry activities, including new woodland creation, forest management and silviculture as well as timber harvesting. Graduate foresters benefit from support and training, assisted by the latest technological advances in the industry, including digital mapping systems, remote sensing, drone surveillance, mobile field devices and specialist field apps.

As the world prepares for this year's COP26 summit and many countries have committed a range of responses to

mitigate the climate emergency, new forestry graduates will increasingly join the front line of humanity's response to this global crisis. All the national administrations across the UK have recognised the importance of tree planting to help mitigate climate change and to meet environmental targets. The UK Government proposes a target to plant 30,000 hectares a year by 2025 with much of that planting likely to happen in Scotland where the Scottish Government proposes to plant 18,000 hectares per year within the same timescale.

Recent graduates, or those studying towards the end of their degree, ideally in forestry, land management or environmental studies, could find our graduate programme to be the ideal challenge. Gaining chartered status through membership of the Institute of Chartered Foresters (ICF) is actively supported and gives a professional standing to that manager's career. Full details of the company's scheme, and a notice of any opportunities to apply, are advertised in the Careers section of our website.



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HR Manager

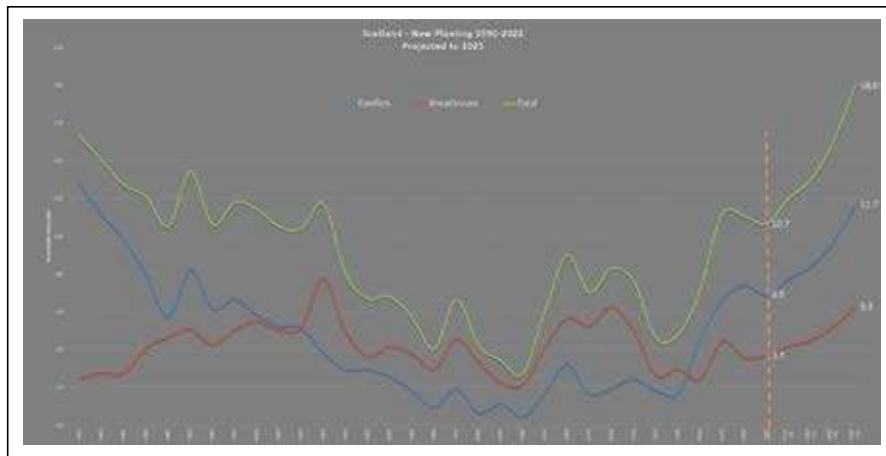
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# Why the figures stack up for forestry investment

The most recent annual statistics for new forestry planting show that last year the UK exceeded 13,400 hectares with 10,660 ha of that occurring in Scotland, 2,180 ha in England, 290 ha in Wales and 280 ha in Northern Ireland<sup>1</sup>.



Focusing on Scotland, of the 10,660ha planted last year approximately 65%, 6,940ha, was conifer and 35%, 3,720ha was broadleaf. The overall area was slightly down on the previous 2 years but the UK has strong new planting targets, with the Committee on Climate Change's net zero projections promoting the need for 30,000 ha of woodland being established in the UK every year to 2050, to take woodland cover in the UK from 13-17%. In Scotland we are focussed on delivery of up to 18,000ha per year by 2025, moving cover from 18%-21%.

With the Forestry Commissions' 100-year forecast of softwood availability<sup>2</sup> showing a marked drop in availability spanning a 40 year period from the late 2030's as a direct result of the changes in fiscal policy in the late 1980's there is likely little to move us from being the second largest importer of forest products globally behind China.

Indeed, this decline in availability in the UK is occurring at a time that global timber supplies are set to come under significant pressure - with a World Bank report suggesting that timber demand will triple by 2050. In the same period global population is expected to reach 10bn (2020 – 7.8bn<sup>3</sup>) and with most of that population growth in developing nations it is easy to consider the impact on UK supply.

In the UK itself the government has ambitious house building targets to counter rising housing shortages and for the UK to "build our way to recovery". Given the global requirement for carbon emission reductions and a push for sustainable building (building and construction are responsible for 39% of all carbon emissions in the world<sup>4</sup>) it is likely that we will see significant movement towards thermally efficient timber framed buildings. "Mass Timber", where timber is laminated together to provide strong structural sections, will also likely increase allowing carbon to be locked up in the built environment whilst substituting for more carbon intensive building materials such as steel and concrete.



## What does this mean for forestry investors?

There is no doubt that we are entering a period of rediscovery of the benefits of construction with timber and the use of timber-based materials globally. Given the pressures on timber availability in the UK going forward it is the forests felled and replanted, and newly planted today that will "plug the gap" in this time of great demand. This gives us great confidence that the investment returns achieved over the past 25 years of 9.2% per annum<sup>5</sup> can be used as a sensible benchmark for future investment.

1 Forestry Commission – Forest Statistics 2021  
 2 Forest Research – National Forest Inventory 2014  
 3 United Nations Estimate  
 4 World Green Building Council – Brining Embodied Carbon Uprfront 23rd Sept 2019  
 5 MSCI IPD UK Annual Forestry Index 2018



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# New Woodland Creation

One of our investor clients is in the process of establishing a new woodland creation scheme in the Ochils, near Dunning in Perth and Kinross. The Knowes and Keltie woodland is approximately 450 hectares and, contributed almost 5% of the Scottish Government's current annual target for forestry expansion for 2019/2020 as well as contributing to national targets for carbon storage.

The site is split into two sections by an existing stock fence. To the east lies the Knowes portion and to the west, the Keltie section. Knowes farm was purchased through an open market sale and purchase of the adjacent 'Keltie' section was then negotiated with a neighbouring owner. Across the site, altitude varies from 270m to 475m above sea level, and soils are mainly peaty podzols, peaty gleys and brown earths.

Before the creation of this woodland, the majority of the vegetation across the two sites was unimproved acid grassland, with areas of dry heath, improved grassland, marsh and bracken habitats. The previous land use was rough grazing. The land capability for agriculture scores range between 5.2 (improved grassland), 6.1 and 6.2 (rough grazing). The land capability for forestry scores are F4 (moderate flexibility for trees) to F6 (very limited flexibility for trees). Part of the farmed land has been retained for livestock production with this land benefiting from the new

shelter provided by the trees. Since spring 2019, we've planted more than 900,000 trees on the site. The trees planted in the first year have seen more than a 96% survival rate which is exceptionally high. The last of the initial planting was completed in spring 2021. Survival rates from 2020 were around 85% on average due to drier conditions in early spring of that year.

As part of the planning and preparation for the creation of this new woodland, several surveys were undertaken by specialist contractors – birds, botanical and groundwater dependent terrestrial ecosystems (GWDTE), as well as a landscape appraisal. Moreover, archaeology and deep peat were assessed in-house by Scottish Woodlands. In addition to the surveys undertaken, consultation was made with Scottish Environment Protection Agency (SEPA), Scottish Natural Heritage (SNH), RSPB, Historic Environment Scotland (HES), Perth and Kinross Council and the local community.



Since the introduction of changes to the application process following the Mackinnon Review, and with good input and support of the local Conservancy staff, the time to get this new woodland creation scheme through the approval system was approximately 12 months, much quicker than other similar developments in the recent past. This shorter timescale has been much appreciated by all parties involved. The timing was helped by the fact that time-specific surveys, e.g. breeding birds were carried out at an early stage in the planning process.

The final planting design takes into consideration all of the sensitive features identified through the surveying and consultation processes. Ground preparation was primarily by forestry ploughing with some areas of excavator mounding and some pre-plough mulching of rank heather growth in parts of the site. Heather burning and mulching has allowed straightforward cultivation of the site. The perimeter of the site has been deer fenced to protect it from deer damage. Ongoing maintenance will include weeding and replacement of any losses as well as deer management to ensure good establishment of the woodland.



The main management objective is to create a top-class commercial conifer woodland using species which are suitable to the site conditions. Commercial objectives will be realised through the establishment of a high-quality timber crop on a site which is easily accessible for timber harvesting and well positioned in relation to a wide range of timber markets. In addition to this, the site design is sympathetic to the landscape, the biodiversity and the archaeology of the site.

Both Covid and weather conditions have been a challenge in 2020/21. Snow drifts prevented access to planters for much of January and February 2021 slowing the final phase of planting down.

Based around a core of Sitka Spruce, the planting design also incorporates a mosaic of diverse conifer areas, native broadleaves and open ground. The proposal creates habitat connectivity through the development and expansion of forest habitat networks whilst maintaining zones of adjacent open ground. Forest areas are being expanded through the creation of significant areas of diverse conifer

and broadleaved woodlands. New habitat has been created for a range of species.

In 2019, the owners were also successful in acquiring an adjacent farm – Kippen – which is to be planted in 2021/22. This 85 hectare parcel will extend new roads and create a diverse conifer and broadleaved woodland based around Douglas fir and oak at productive spacings.

The scheme is promoting public access and enjoyment through formalising the use of the forestry roads and tracks and linking these to an existing network of core paths. There has been good communication with the local community over developing the site for mountain bikes and walkers particularly. To date, more than 5.5 kilometres of new forest roads have been constructed, as well as tracks and walking routes. There are signs that these new routes are being well used by a variety of responsible users. Links will be established with the adjacent proposed woodland at Coulshill – a new forest of around 900 hectares and including 13 kilometers of new roads.



### The Scottish Government has committed to a target for the whole country to become carbon neutral by 2045.

The capture and storage of carbon through forestry expansion is expected to play a significant role in reaching that target. The new woodland development at Knowes & Keltie is expected to sequester approximately 3,150 tonnes CO<sub>2</sub>e every year by way of climate change mitigation. Knowes and Keltie has been validated under the Woodland Carbon Code.



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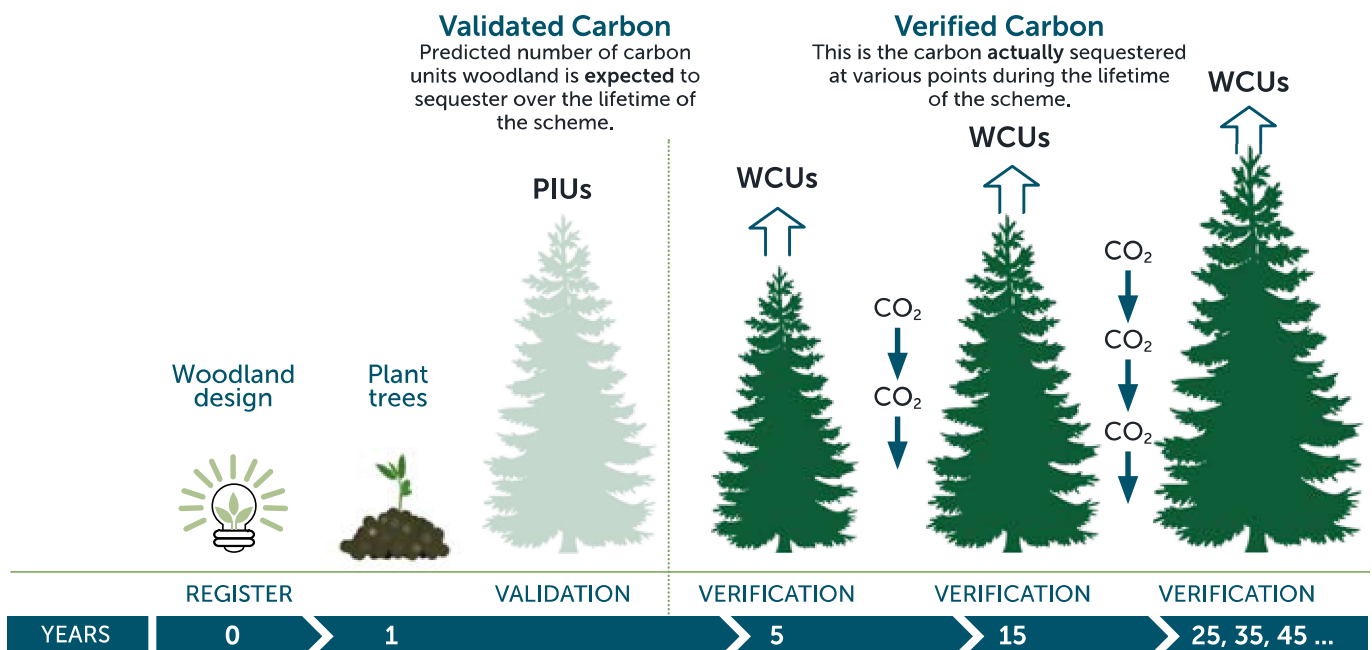
# Carbon Code Green to the rescue

The International Panel on Climate Change's sixth assessment report issued on 9th August 2021 states that climate change is widespread, rapid and intensifying. The earth is warming, and it is code red for humanity. However, we have extraordinary natural resources that can help us address this worldwide climate threat. There is a significant opportunity for farmers, crofters, landowners and forestry investors to create new woodlands with carbon sequestration as a major part of their investment.

**Code green to the rescue...** The biological growth of trees, via photosynthesis, absorbs carbon and woodlands have high rates of carbon sequestration. A recent study carried out by Natural England found that one hectare of native woodland could sequester the equivalent CO<sub>2</sub> each year as flying from London to Rome 13 times. Pretty good. The value of this carbon sequestration has been realised by the development of the Government backed Woodland Carbon Code (WCC) scheme. The WCC is a mechanism whereby landowners can register afforestation projects on the UK

Land Carbon Registry to quantify the number of carbon units (tonnes of CO<sub>2</sub> equivalent) new woodlands will sequester over a specified length of time.

The scheme is only applicable to new woodland creation projects therefore restocking sites and compensatory planting falls out with the code. The application process is detailed, there are costs associated with each stage and new projects must be registered before the first planting date.



Crucially each project must show that it meets the WCC eligibility rules, and prove it is not economically viable without carbon finance, known as additionality. The additionality test means that carbon funding is not guaranteed for every new afforestation project thus it is essential landowners and investors seek advice at pre-investment and woodland design stage. However, the scheme adds further value to new woodlands with the potential to yield carbon income when units are available to trade, and earlier than forecastable timber income.

Adding financial value to these natural assets has given rise to the voluntary carbon market. With carbon becoming a highly tradeable commodity, being part of the solution looks like a lucrative option. Adaptions in response to climate change will see diversification of land use. The UK Committee on Climate Change issued a report in January 2020 outlining that land use transformation is required to ensure critical ecosystem services are preserved and land becomes a more effective carbon sink. The report recommended planting 30,000ha of woodlands per year and restoring at least 50% of upland peat and 25% of lowland peat by 2050. The additional income from tradable carbon can help incentive land transformation and will create a more balanced and robust business case.



## “What are you doing in my swamp?!”

Peatland is also a super carbon sponge. Peatland, in its natural waterlogged state, prevents carbon within organic matter at the surface oxidising and being released as carbon dioxide. Degraded peatland has been contributing to rising carbon emissions.

Peatland restoration projects can be registered on the UK Land Carbon Registry under the Peatland Code to quantify the reduction in carbon emissions.

Projects must be registered and validated before restoration can begin.

### Eligibility:

- Blanket or raised bog
- Actively eroding or drained
- Minimum 50cm peat depth



The market is buoyant, with carbon trading in the region of £15/tCO<sub>2</sub>e as companies purchase carbon to offset residual UK based carbon emissions. The Scottish Government has set a target for climate neutrality by 2045 and at Westminster by 2050. Carbon sequestration through tree planting and peatland restoration is seen by UK Government as a key contributor towards meeting those targets. It seems that the value of a tradable carbon unit is likely to grow as we approach these target dates for climate neutrality.

Once projects are validated, Pending Issuance Units (PIUs), can be sold to help cash flow for a marginal project through the early years. However, PIUs can only be purchased by a corporate entity wishing to offset future UK based emissions. Alternatively verified carbon, Woodland Carbon or Peatland Carbon Units, can be retained by the owner as an investment, either to be sold later or used to offset against the landowner's own business missions (otherwise known as insetting). Verified carbon can be used immediately by a business wishing to offset residual UK based emissions.

Carbon investment provides an opportunity for landowners to release value from their natural capital asset. However, carbon is a long-term commitment, with project lengths varying between 35 and 100 years, and the landowner must ensure that the trees grow as described in the project design or peatland restoration is maintained. Getting the right advice and making the right decision early on is vital.

Scottish Woodlands have a dedicated Woodland Carbon Team managing a portfolio of over 200 carbon projects predicted to sequester 2.5 million tonnes of carbon dioxide equivalent. Scottish Woodlands are experienced project developers for the UK Land Carbon Registry which is the platform for Woodland Carbon Code and Peatland Code. We will prepare the application documentation and take the proposal through to validation and verification on behalf of clients. We can also find suitable opportunities for clients looking to invest in tree planting and peatland restoration for carbon sequestration.

If you would like to find out more, contact Emma Kerr at [emma.kerr@scottishwoodlands.co.uk](mailto:emma.kerr@scottishwoodlands.co.uk)



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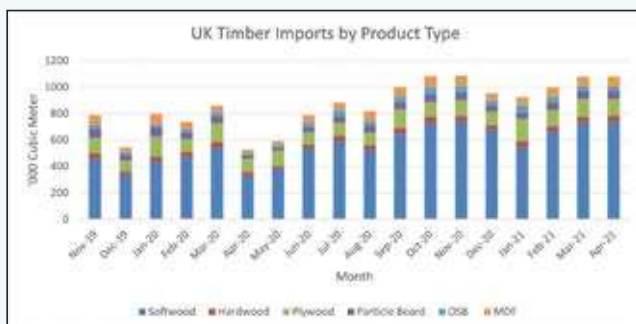


# Timber Update - Volatility provides Opportunity

‘Supply and demand’. Three words which continue to have a dominant presence over the timber industry nationally and globally. Across many industries the pandemic initially presented unimaginable uncertainties, and the UK timber industry was seemingly not immune. Thankfully this proved to be not only short lived but unfounded for the timber industry.

Within the UK, as the construction sector shut down in the early stages of the pandemic, it seemed inevitable that the timber industry would suffer. Timber processing facilities closed in line with most industries, and sawn wood import orders were cancelled. However, distribution of goods, production of packaging for medical supplies and energy generation saw demand for timber not only quickly resume but rapidly increase, from processors classed as ‘essential facilities’, producing essential goods and services. As government-imposed lockdowns came and went, with travel restrictions mainly remaining in place, the nation became accustomed to channelling their interest and disposable income into home improvements and gardening projects. Demand for sawn timber for fencing and garden products soared resulting in increasing pressure on the supply chain, this was to be compounded further as the construction industry gradually re-opened and demand for construction grade timber increased.

This model of supply and demand has been witnessed across the globe, putting pressure on domestic production of timber in addition to affecting imports and exports. For example, in April 2020 the UK timber and panel imports in that month fell by 39% as the UK entered lockdown. Demand has since rocketed and in the month of April 2021 imports were higher by just over 100%. Over the first four months in 2021 solid wood imports were 47% higher, with panel products being 23% higher than the same period in the previous year, totalling 1 million m<sup>3</sup> per month. Interestingly, the value of imports increased by 105% over that period, derived from a 51% rise in volume and 36% increase in average prices, compared to the same period in 2020.



**Fig 1.0** Quantities of UK import by product type – Timber Trade Federation Timber Statistics Industry Facts and Figures – Jul 21’

Firstly, let’s look at global trading of timber, with demand outstripping supply in many countries across the globe there have been astonishing examples of market forces coming into play, most notably in North America where lumber prices soared to £750 per cubic meter in May 21’, an increase of 250%. Albeit, since this peak, there has been a month on month fall in price, resulting in the first negative half year

since 2015. Prices dropped back by 40% in June alone, suffering the worst month on record dating back to 1978. The North American lumber market is never immune from volatility, with Jul 21’ prices coming in at \$555 per thousand board feet, which is \$1 higher than prices in Jul 20’.

Some analysts would see this as a price correction due to unsustainable lumber prices (estimated average additional cost of \$34,000 per unit on new builds), coupled with travel restrictions easing allowing the population to focus on much desired vacations and putting DIY projects on hold, if only temporarily. However, the US is the largest timber market in the world and is very dependent on imported timber, consistently accounting for about 30% of US consumption over the past ten years. There is expected to be continued demand growth long-term in the US, driven mainly by the new house construction and solid consumption of wood products in the repair and remodelling sector.

As imports from Canada to the US continue to fall, increasingly so due to the lasting effects of the mountain pine beetle in British Columbia, European imports will undoubtedly fill the gap. Asia is a rapidly growing market, in particular China which is expected to grow 5% year on year to 2025. China is expected to focus strongly on European supplies, because of the possible implementation of Russia’s self-imposed ban on exporting of untreated or roughly processed wood. Therefore, with the EU being the source of almost 50% of global exports of timber it will continue play an integral part in the supply chain and the influencing of the global market.

At the Summer General Assembly of The European Organisation of the Sawmill (EOS) in Jun 21’ it was stated that supply challenges will persist for the foreseeable future. Since 2015 369 million cubic meters of damaged wood has accumulated in Germany, the Czech Republic and Austria alone. This pushed log prices down to an all-time low by the summer of 2020. However, strong demand caused a price reversal in the space of just 12 months with record roundwood prices achieved in Central Europe.

Central European sawmills have invested in additional capacity and further processing capabilities due to the sustained strong demand. The demand is welcomed across the sector, although concerns have been raised regarding the availability of spruce supplies going forward, due to pest damaged timber felling (accelerated) and consequences on future felling plans, like that witnessed in BC, Canada and accelerated felling due to the mountain pine beetle. Delegates were informed that it will become a seller’s market for roundwood.



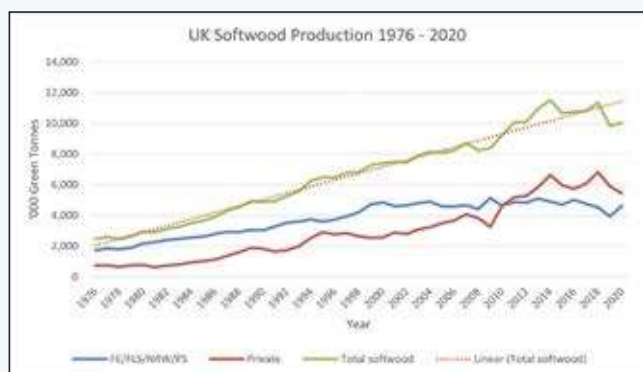


If we now look at the UK timber market the main drivers for sustained, strong demand for timber are still there. The UK construction and merchanting sectors highlights that demand is significantly higher than at any time since the financial crash in 2007. Overall construction has expanded at the fastest pace since June 1997, with double-digit growth of 12.9% expected. Housing starts are predicted to increase over the next four years to reach 215,000 across the UK by 2024 and Net Zero targets are unlikely to be met without a significant increase in the use of timber.

Timber frame is a proven, quick, high quality, cost-effective and low-carbon modern method of construction, which is unmatched across the wider sector. Therefore, it remains essential to the UK in solving the housing, climate, and biodiversity crises.

The National House Building Council statistics show that, in 2019, timber frame housing was used in about 9% of new builds in England, 22% Wales, 92% in Scotland, and 30% in Northern Ireland. With most of the new build market positioned in England, amidst rising pressure to build quicker, and to reduce carbon emissions, there exists significant growth potential, which should be seen as hugely positive for UK domestic timber production and demand.

The latest National Statistics of UK Wood Production and Trade – 2020 Provisional Figures published by Forest Research in May 21' show removals of UK roundwood from UK forests at 10.0 million green tonnes (mgt) of softwood and 0.8 mgt hardwood.

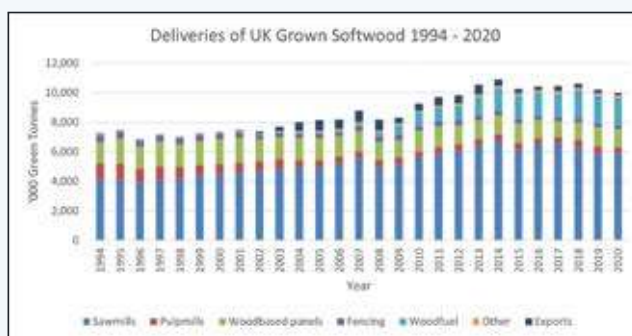


**Fig 2.0** – Production of UK Grown Softwood 1976 – 2020  
National Statistics of UK Wood Production and Trade – 2020  
Provisional Figures published by Forestry Research May 21'

The above chart illustrates the increasing presence and reliance on the private sector for UK softwood production, which has overtaken the public sector softwood production since 2010. If we look back to 2000 the private sector represented ca. 35% of the UK softwood production, increasing to 54% in 2020, which is a 110% increase in overall production from the private sector, whilst the public sector softwood production has remained relatively static. This demonstrates the vital role of the private sector currently and going forward, to meet the growing demands of the UK timber roundwood processing industry.

Softwood production, or removals, can be broken down into 6.0mgt to the sawmill sector, wood-based panels 1.2mgt,

integrated pulp and paper mills 0.4 mgt and other uses (fencing, woodfuel, shavings and exports of roundwood) at 3.2 mgt. This is illustrated further below.



**Fig 3.0** – Deliveries of UK Grown Softwood 1994 – 2020  
National Statistics of UK Wood Production and Trade – 2020  
Provisional Figures published by the Forest Research May 21'

The UK witnessed record levels of demand for domestic roundwood in the 2nd half of 2020 and this is firmly continuing in 2021, primarily driven by mills running at full-shift capacity, with sustained levels of high production. Even at this level of unprecedented production most UK timber processors are looking at 6 – 8 weeks lead in time for fulfilling orders. This insatiable demand for timber, although welcomed, has been felt right throughout the supply chain, from timber harvesting, roundwood haulage, timber processing and haulage of finish products. Challenges have been faced and the industry, throughout the supply chain, has been quick to adapt, with opportunities for investment taken and progressed, at a time when many other industries continue to feel the impact of the pandemic.

'Any port in a storm' adequately describes the situation that has prevailed in the Republic of Ireland since 2020 regarding roundwood availability. It has been estimated that 1.10 million cubic meters of roundwood was held up in felling application appeals in Sept 20', leading to felling licenses and road permits which facilitate the construction of forest roads to access the timber being hugely delayed. The strangulation of domestic supplies in Ireland has led to Irish sawmills seeking and competing for roundwood timber supplies from the pest-free zone of West Coast Scotland, putting further pressure on the UK domestic market and processors. It was estimated that, this year to date, department officials in Ireland have licensed 11,700 hectares of felling, compared to 57,000 hectares in 2019. 2020 saw 18,000 hectares being approved but his was seen as 'catastrophic year' when licensing fell far behind the government's targets.

Considering the influencing factors, globally and nationally, regarding current supply and demand of wood products, with estimates that global demand will treble by 2050 and the increasing recognition of the carbon credentials of wood, the UK forestry and timber processing industry outlook remains hugely positive. It is therefore inevitable that there will be an increasing focus from the timber processing industry on domestic roundwood supplies and with that increasing opportunities for the forest owner.



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# Forestry grants and planting targets

**Political parties on all sides have stated ambitious tree planting targets for the UK. For those close to the industry, these statements sound quite improbable in relation to historic performance on woodland creation in the UK.**

The UK government's latest planting target aims for 30,000ha per year of new woodland creation by the end of this parliament, 7,000ha of which being planted in England. Scottish targets will rise from 12,000ha per year to 18,000ha per year in 2024/25. As consensus grows amongst nation states that an effective response is needed urgently to mitigate climate change, the use of tree planting to offset CO<sub>2</sub> emissions is an important tool.

Each devolved nation has its own grant scheme, used at least in part to encourage new woodland creation. In Scotland, where the most significant results have been achieved so far, the annual budget for the Forestry Grant Scheme (£62.8M in 2021/22), is heavily weighted towards new woodland creation and additional funds have been committed on several occasions when budget limits threaten to restrict the supply of schemes.



In England, the England Woodland Creation Offer is now available and has made £15.9M available to support new woodland creation. Planting targets here will increase to 7,000ha per year by 2025.

The equivalent in Wales is The Woodland Investment Grant which replaces Glastir as an annual funding round in 2021 allowing applicants to claim 100% funding for projects between £10,000 and £250,000. It is expected that a new woodland creation grant will be opened to year round applications from April 2022. Large scale tree planting in Wales has been extremely slow when compared to other

areas of the UK. Recently, Government ministers have made strong commitments to enable greater tree planting in an effort to reach the target of 100,000ha of new woodland by 2030.

The transition of planting grant funding to the UK treasury, (approximately 25% of current funding comes from EU funds) will allow a more UK-focused approach to land management support in the future. The very public commitment that has been shown to increasing levels of woodland creation across the UK is reassuring in this context.

Westminster's Woodland Carbon Guarantee scheme signals a new direction of travel. This £50M budget scheme attempts to kick-start interest in a more market-based solution based on tradable carbon sequestration units. This scheme offers further incentive to landowners creating woodland in England. Successful applicants will secure a guaranteed income upon delivery of verified Woodland Carbon Units up to 2055/56.

With over 13,000ha of new woodland approved for 2021 in Scotland and a further 6,000ha of schemes approved already for 2022, the trend is clearly increasing, but there are significant constraints to overcome even where grant funds are plentiful.

The UK barely produces enough seed for the existing level of new planting and restocking. Shortages of seed have been evident for both native and the main commercial species in recent years and while increased capacity is clearly needed, it takes 20 years to develop a viable seed orchard. The UK government has committed funding to aid tree production. England, for instance, has opened a fund called 'The Tree Production Innovation Fund' which allows applicants to apply for between £20k and £200k.

Tree supply for planting schemes is also dependent on a small number of commercial tree nurseries who are constrained in their ability to expand production (land area and skills). These important production sites are also vulnerable to tree disease outbreaks which could significantly affect production.

Finally, it will take approximately 800 tree planters to create 40,000ha of new woodland in addition to those employed in restocking. Any restrictions on the availability of the skilled labour required to establish young woodlands will also be a constraint.

Scottish Woodlands are up for the challenge and keen to work with existing and new clients to play our part in realising these ambitious targets. Speak to your local forest manager if you want to discuss plans for a new woodland creation project.



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# Forest Worksites-welfare provision

Forestry worksites are typically located in remote areas. Despite this, there is a requirement for worksites to be brought into line with the legislation on the provision for welfare of forestry workers. The Health and Safety Executive has been working closely with the forest industry to establish a practical response to these requirements so some forest owners may have seen some changes on worksites as a result of this initiative.

The Workplace (Health, Safety and Welfare) Regulations 1992 and Construction (Design and Management) Regulations 2015 cover the legal requirements of welfare provision; and forestry sites need to comply with some of the regulations, i.e. sanitary conveniences, washing and drinking water.

In general terms, a suitably equipped welfare unit must be provided for forest workers on most work sites. The unit should be, "so far as reasonably practical", suitable for its purpose and maintained in good condition, safe for people and the environment. For example, on a large operational site, the welfare unit should be located on a level site with vehicular access so that it can be accessed safely by those on site, and cleaned and serviced, as required. The unit should include toilet facilities and water, for washing and drinking. The unit should provide a seated area where workers can prepare and eat hot food, and toolbox talks can be delivered. Site paperwork, a first aid kit as well as a worksite oil pollution control kit should be available within the welfare unit. Additional elements may be required depending on the work task, such as chemical spraying.



Where provision of welfare is not a practical possibility, this must be justified and recorded in the risk assessment process. Where existing facilities can be identified within a practical distance of the worksite it may be possible to use these to meet the standard requirements.

Requirements will vary according to the nature and duration of the forest operations in question. Our forest managers have all received training and guidance on what is required for operations on different worksites and will incorporate the appropriate provisions into project planning and budgets.



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## Tree Safety - Duty of Care

Landowners have a 'duty of care' under common law to employ reasonable measures to minimise risks to the health and safety of people on their land. This duty of care extends to all people who might be injured or suffer property damaged caused dangerous trees.

The spread of Chalara Ash Dieback which is caused by the fungus *Hymenoscyphus fraxineus* (originally '*Chalara Fraxinea*') and other tree diseases throughout the UK, as well as a trend towards more frequent storms has made the issue of tree safety ever more relevant. In addition to this, the increasing trend towards liability claims means that these obligations are being tested more frequently.

Risk assessment for trees needs to consider both the type and condition of the tree as well as the likelihood of people and property being exposed to any risks associated with those trees. Scottish Woodlands forestry managers can advise landowners on a practical risk assessment process to employ so that the landowner's liability risks are managed appropriately. This is particularly relevant where large mature trees coincide with areas of high public use like roads and footpaths.

While tree safety is an essential consideration for all landowners, the environmental value of mature trees is also well understood, such that any risk mitigation work proposed should be proportionate to the risks presented by the tree.



Scottish Woodlands can undertake a basic survey on behalf of clients, and in more complex situations, may recommend the services of a suitably qualified tree safety professional. Surveys should be repeated at least every two years unless a more frequent reinspection is advised. A survey will assess the size, form, health, rooting and location of trees in relation to tree safety risks. Consultation and approval by statutory authorities may be required where a felling licence or permission is required, a Tree Preservation Order (TPO) is in place or to help identify possible bat roosts, which have legal protection, before work is undertaken.



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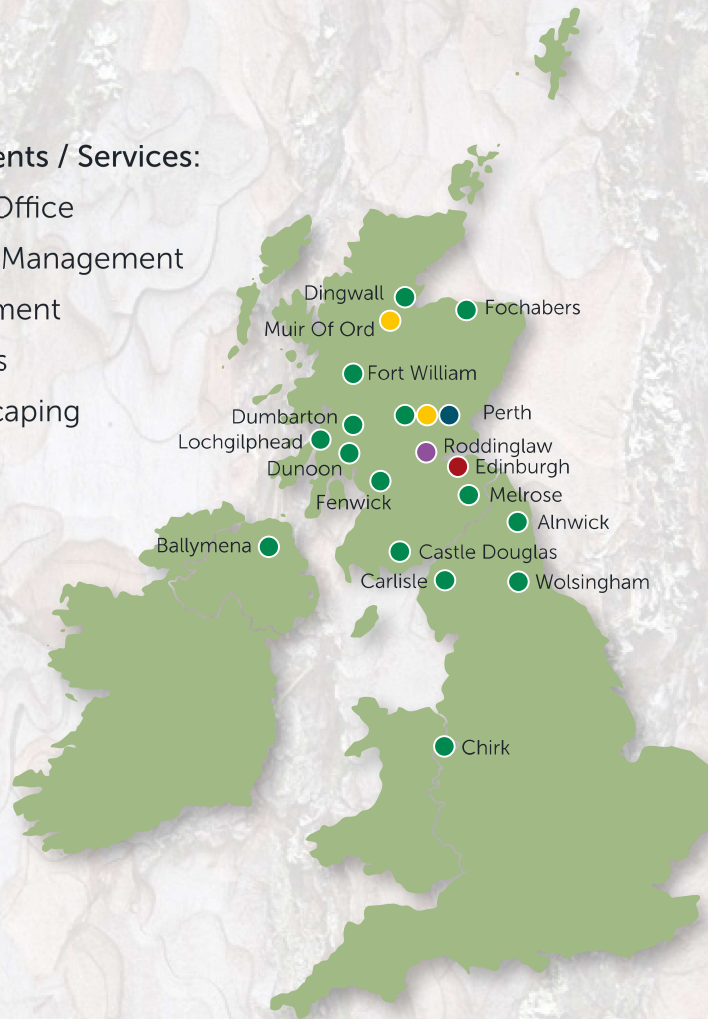
If you wish to discuss a tree safety inspection for your property, please contact your local forest manager.



# Map showing current offices

## Departments / Services:

- Head Office
- Forest Management
- Investment
- Utilities
- Landscaping



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